

Employee Incentive Plan

Richmond Vanadium Technology Ltd ACN 617 799 738 (**Company**)

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Employee Incentive Plan

1. Name of Plan

This document sets out the rules of the Richmond Vanadium Technology Ltd ACN 617 799 738 **Employee Incentive Plan**.

2. Objectives

The Employee Incentive Plan is a long term incentive aimed at creating a stronger link between an Eligible Participant's performance and reward, while increasing shareholder value in the Company.

3. Definitions and interpretation

3.1 Definitions

In this Plan:

Acceptance Date has the meaning ascribed to that term in clause 7.1(b)(6).

Acceptance Form means a form for the acceptance of offers made to an Eligible Participant in such form as the Board may approve from time to time.

Acknowledgement means the form of acknowledgement from time to time approved by the Board for the purposes of clause 22.

Allocate means:

- (a) the issue of a Share to or for the benefit of;
- (b) procuring the transfer of a Share (pursuant to a purchase on-market or an off-market transfer) to or for the benefit of; or
- (c) procuring the setting aside of a Share for the benefit of,
a Participant.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in section 12 of the Corporations Act.

Associated Body Corporate in relation to the Company means:

- (a) a Related Body Corporate of the Company;
- (b) a body corporate that has voting power in the Company of not less than 20%; or
- (c) a body corporate in which the Company has voting power of not less than 20%.

ASX means the ASX Limited ACN 008 624 691 or the securities exchange it operates, as the context requires.

Board means the board of Directors of the Company.

Business Day means a day on which ASX is open for business.

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Cashless Exercise has the meaning in clause 17.3.

Change of Control Event means

- (a) any person, either alone or together with any Associates, who did not have a Relevant Interest in more than 50% of the issued Shares, acquires a Relevant Interest in more than 50% of the issued Shares other than for the purposes of a bona fide restructure or reconstruction of the Company or the securities of the Company;
- (b) a Takeover Bid being made for Shares in the Company is made to acquire more than fifty per cent (50%) of the issued Shares of the Company (or such lesser number of Shares that when combined with the Shares that the bidder (together with its Associates) already owns will amount to more than 50% of the issued Shares of the Company) and the Takeover Bid becomes unconditional and the bidder (together with its Associates) has a Relevant Interest in more than 50% of the issued Shares of the Company;
- (c) where members of the Company approve any compromise or arrangement for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other body corporate or bodies corporate (other than a scheme that does not involve a change in the ultimate beneficial ownership of the Company), pursuant to which all Company securities are to be either cancelled or transferred to a third party, and a court of competent jurisdiction, by order, approves the proposed scheme of arrangement;
- (d) any other transaction or event that in the Board's opinion is likely to result in a change of Control of the Company,

but, to avoid doubt, does not include any internal reorganisation of the structure, business, assets or securities of the Company.

Company means Richmond Vanadium Technology Ltd ACN 617 799 738.

Contribution Plan has the meaning given to the term in the Corporations Act.

Control has the meaning given in section 50AA of the Corporations Act.

Controllable Event means cessation of employment or engagement other than by an Uncontrollable Event.

Corporations Act means the *Corporations Act 2001* (Cth), as amended from time to time.

Current Market Price means the closing market price as that term is defined in the ASX Listing Rules.

Dealing means, in relation to a Security, any dealing, including:

- (a) a sale, transfer, assignment, trust, security interest, option, swap or alienation with reference to all or any part of the rights attaching to the Security;
- (b) any attempt to do any of the action as set out in clause (a); and
- (c) any arrangement or transaction in financial products that operates to limit the economic risk associated with holding a Security.

Dealing Restrictions means a restriction on Dealing with a Security as set out in this Plan or an Offer.

Director means a director of the Company from time to time.

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Eligible Participant means an employee of the Group (including a Director employed in an executive capacity) or any other person who is declared by the Board to be eligible to receive a grant of Securities under the Plan.

Exercise Price means the amount payable by the Participant (if any) as determined by the Board in its sole discretion to exercise an Option following Vesting as set out in an Offer (as adjusted or amended in accordance with this Plan).

Financial Year means the financial year adopted by the Company for the purpose of making up the profit and loss account and balance sheet of the Company pursuant to the Corporations Act.

Government Body means:

- (a) any person, body or other thing exercising an executive, legislative, judicial or other governmental function of any country or political subdivision of any country;
- (b) any public authority constituted by or under a law of any country or political subdivision of any country; and
- (c) any person deriving a power directly or indirectly from any other Government Body.

Grant Date means the date on which Securities are granted to a Participant following the acceptance of an Offer.

Group means the Company and each Related Body Corporate of the Company.

Group Company means a member of the Group or any other company designated by the Board to be a Group company for the purposes of the Plan.

Listing Rules means the Listing Rules of the ASX and any other exchange on which the Company is listed as they apply to the Company from time to time.

Offer means an offer to an Eligible Participant made by the Board under clause 6 to apply for, participate in, or receive (as applicable), a grant of Securities, which, for the avoidance of doubt, includes any documents or agreements that may be attached to the offer.

Option means an option granted under this Plan to subscribe for a Share, subject to satisfaction of applicable conditions (including any Vesting Condition) and compliance with the applicable exercise procedure (including payment of any applicable Exercise Price).

Option Commencement Date means the date to be determined by the Board prior to the issuance of the relevant Options.

Option Period means in respect of an Option, the period commencing on the Option Commencement Date and (unless the Board determines otherwise) expiring on the date nominated by the Board at its sole discretion at the time of the grant of the Option but being not less than two years after grant, subject to clauses 14, 15 and 16.

Participant means an Eligible Participant who accepts an Offer from the Board to participate in this Plan.

Participant Option means an Option that is issued to a Participant under this Plan.

Participant Share means a Share that is issued to a Participant under this Plan.

Participant Performance Right means a Performance Right that is issued to a Participant under this Plan.

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Performance Right means a performance right granted under this Plan to acquire one Share, as set out in the relevant Offer.

Plan means this employee incentive plan.

Related Body Corporate has the meaning given to that term in the Corporations Act.

Relevant Interest has the meaning given to that term in the Corporations Act.

Restricted Share means a Participant Share issued pursuant to this Plan that is subject to the restrictions contemplated in clause 25.

Securities means a Share, Option or Performance Right (as the case may be) and **Security** has a corresponding meaning.

Securities Trading Policy means any securities trading policy of the Company (as amended or replaced from time to time).

Share means fully paid ordinary shares in the capital of the Company. A reference to a Share includes a reference to a Restricted Share.

Takeover Bid has the meaning given to that term in the Corporations Act.

Tax Law means the *Income Tax Assessment Act 1997* and the *Income Tax Assessment Act 1936*, as the case may be.

Terms of Allotment means, in relation to a Security:

- (a) the terms and conditions of this Plan;
- (b) the terms and conditions of an Offer to a Eligible Participant;
- (c) the Acknowledgement required under clause 22;
- (d) each restriction and other condition prescribed by the Board in relation to the Security; and
- (e) each statement setting out particulars in relation to the Security under clause 23.

Uncontrollable Event means:

- (a) death, serious injury, disability or illness which renders the Eligible Participant incapable of continuing their employment or engagement (or providing the services the subject of the engagement) with the Company or Associated Body Corporate;
- (b) forced early retirement, retrenchment or redundancy; or
- (c) such other circumstances which results in an Eligible Participant leaving the employment of, or ceasing their engagement with, the Company or Associated Body Corporate and which the Board determines is an Uncontrollable Event.

Unvested in respect of a Security means a Security which has not Vested.

Vest or Vesting means the process by which the holder of a Security becomes entitled to:

- (a) in the case of an Option, exercise the Option in accordance with clauses 17.1 and 17.2; and

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- (b) in the case of a Performance Right, be Allocated a Share in accordance with clauses 17.1 and 17.4,

following all Vesting Conditions that apply to that Security being satisfied or otherwise waived by the Board.

Vesting Condition means one or more conditions which must be satisfied or circumstances which must exist before a Security Vests under the rules of this Plan.

Vesting Period means the period or periods over which the Vesting Conditions are measured or tested as specified by the Board for the purposes of a particular Security, including any period or periods over which any re-testing of Vesting Conditions occurs.

3.2 Interpretation

- (a) Unless the contrary intention appears, a reference in these Rules to:
- (1) these Rules or another document includes any variation or replacement of it despite any change in the identity of the parties;
 - (2) one gender includes the others;
 - (3) the singular includes the plural and the plural includes the singular;
 - (4) a person, partnership, corporation, trust, association, joint venture, unincorporated body, Government Body or other entity includes any other of them;
 - (5) an item, recital, clause, subclause, paragraph, schedule or attachment is to an item, recital, clause, subclause, paragraph of, or schedule or attachment to, these Rules and a reference to these Rules includes any schedule or attachment;
 - (6) a party includes the party's executors, administrators, successors, substitutes (including a person who becomes a party by novation) and permitted assigns;
 - (7) any statute, ordinance, code or other law includes regulations and other instruments under any of them and consolidations, amendments, re-enactments or replacements of any of them;
 - (8) money is to Australian dollars, unless otherwise stated; and
 - (9) a time is a reference to Western Australia time unless otherwise specified.
- (b) The words include, including, such as, for example and similar expressions are not to be construed as words of limitation.
- (c) Where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning.

4. Commencement

This Plan will commence on the date determined by resolution of the Board.

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5. Operation of the Plan

The Board may at any time decide that this Plan should be operated in respect of any Financial Year and the Board may determine at its discretion the total number of Securities to be offered to each Eligible Participant and the terms, conditions and restrictions on which the Securities are offered.

6. Eligibility and Offers

6.1 Participation

The Board may from time to time determine that an Eligible Participant may participate in this Plan.

6.2 Selection

Following determination that an Eligible Participant may participate in this Plan, the Board may at any time and from time to time make an Offer to that Eligible Participant.

6.3 Securities that may be awarded

The Company may, in the absolute discretion of the Board, offer and grant to an Eligible Participant any (or any combination) of the different types of Securities provided for under this Plan, as set out in an Offer.

6.4 Offers

- (a) Subject to clause 7.1, the manner, form, content, timing and frequency of an Offer will be as determined by the Board in its absolute discretion.
- (b) Unless otherwise determined by the Board in its absolute discretion, the Board may grant any number of Securities to an Eligible Participant to apply for any number and type of Security on the basis set out in an Offer, despite a grant or grants may have been previously made to the Eligible Participant.

7. Form of an Offer

7.1 Form of Offer

- (a) An Offer may take any form determined by the Board, including by electronic means or by way of making it available on a website and notifying the Eligible Participant recipient that it is available on the website.
- (b) An Offer must specify:
 - (1) the name and address of the Eligible Participant to whom the Offer is made;
 - (2) the type or types of Securities being offered;
 - (3) the number of Securities being offered or the method by which the number will be calculated;
 - (4) the Grant Date;

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- (5) the amount (if any) that will be payable for the grant of a Security or the method by which that amount will be calculated;
- (6) the date, being not more than 45 days after the date of the Offer by which the Offer must be accepted, unless otherwise determined by the Board (**Acceptance Date**);
- (7) any Vesting Conditions or other conditions that apply to the Security, including any Vesting Period;
- (8) any other terms and conditions attaching to the Offer including, without limitation, whether any restrictions contemplated in clause 25 of this Plan will be imposed on the Securities being offered;
- (9) the Exercise Price (if applicable);
- (10) the Option Period (if applicable);
- (11) whether the exercise of the Option or conversion of the Performance Right will only be satisfied by an allocation of Shares to the Participant;
- (12) whether deferral of any taxation in accordance with Division 83A-C of the Tax Law is to apply to the Offer; and
- (13) any other supplementary terms.

7.2 **Acceptance Form with Offer**

The Offer will be accompanied by an Acceptance Form.

8. **Current Market Price**

8.1 **Undertake to provide Current Market Price**

At any time from the date of an Offer until the Acceptance Date of that Offer, the Company undertakes, within three (3) Business Days of a written request to the Company from a Participant to do so, to provide information as to:

- (a) the Current Market Price of Shares; or
- (b) where the issue price is to be worked out in the future under a formula, the price were that formula applied at the date of the Offer,

to the Participant in writing.

8.2 **Current Market Price on ASX**

Notwithstanding clause 8.1, a Participant may, at any time, independently access the Current Market Price of the Shares from the ASX website at www.asx.com.au.

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9. Trusts, Contribution Plans and loans

9.1 Trusts

A Company or an Associated Body Corporate that makes an offer of Securities under this Plan in relation to which a trustee holds or will hold the Securities, must ensure that the Company, the relevant trust and relevant trustee comply with the applicable laws with respect to the obligations imposed for issues of such Securities to trustees.

9.2 Contribution Plan

If the Company or an Associated Body Corporate has a Contribution Plan for use by an Eligible Employee in conjunction with this Plan, the Company or an Associated Body Corporate must ensure that any use of the Contribution Plan by the Company, Associated Body Corporate or Eligible Employee complies with the obligations imposed by the applicable laws.

9.3 Loans

A Company or an Associated Body Corporate that makes an offer of Securities under this Plan that involves a loan from the Company or an Associated Body Corporate to the Participant must ensure that the Company or Associated Body Corporate making the loan complies the obligations imposed by the applicable laws.

10. Acceptance of Offer

10.1 Acceptance of Offer

- (a) Acceptance of an Offer must be made by the Eligible Participant in accordance with the instructions that accompany the Offer, or in any other way the Board determines.
- (b) The Board may, at its discretion, refuse to allow the participation of an Eligible Participant where that Eligible Participant ceases to be an Eligible Participant, or ceases to satisfy any other conditions imposed by the Board, before the grant is made.
- (c) Nothing limits the Board's ability to treat the conduct of an Eligible Participant in respect of an Offer (including the failure of an Eligible Participant to lodge an election not to participate within the time specified in the instructions accompanying the Offer) as valid acceptance of that Offer under these Rules.

10.2 Unaccepted Offer will lapse

An Offer which is not accepted by the Participant by the Acceptance Date will lapse.

10.3 No brokerage, commission or stamp duty

No brokerage, commission, stamp duty or other transaction costs will be payable by Eligible Participants in respect of any allotment of Securities under this Plan.

10.4 Offer terms and conditions take precedence

To the extent of any inconsistency, the terms and conditions advised to an Eligible Participant in an Offer will prevail over any other provision of these Rules.

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11. Grant of Securities

Where an Eligible Participant has accepted an Offer to participate in a grant of Securities in accordance with clause 10.1(a), the Board will, subject to its discretion in clause 10.1(b), grant the Eligible Participant the relevant number and type of Securities, subject to the Terms of Allotment.

12. Vesting

- (a) Subject to any express clause of this Plan, an Option or a Performance Right will only Vest (and, in the case of an Option, become exercisable) where each Vesting Condition and any additional conditions specified in the Offer for that Option or Performance Right have been satisfied or otherwise waived by the Board.
- (b) Vesting occurs upon notification from the Company to the Participant that an Option or Performance Right has Vested pursuant to this clause 12.
- (c) If the Vesting of an Option or a Performance Right would arise in a period where Dealings by a Participant would be prohibited or the Board determines that the Vesting of an Option or a Performance Right would otherwise be inappropriate in the circumstances, the Board may determine that Vesting will be delayed until such time as Dealings are permitted or appropriate. For the avoidance of doubt, the Board may determine that Vesting be delayed only in relation to the affected Participant or in relation to some or all Participants (irrespective of whether they are subject to the Dealing Restriction).

13. Lapse

13.1 Lapse of an Option

A Participant Option automatically lapses, to the extent it has not been exercised, on the earlier of:

- (a) a date or circumstance specified in the Offer for that Option or a provision of this Plan as when an Option lapses;
- (b) failure to meet a Vesting Condition within the Vesting Period or meet any other condition applicable to the Option within the Option Period;
- (c) the receipt by the Company of a notice in writing from a Participant that the Participant has elected to surrender the Option;
- (d) the expiry of the Option Period;
- (e) if an Eligible Participant's employment or engagement with the Company ceases because of an Uncontrollable Event, the last day of any period specified in clause 14(b); and
- (f) if an Eligible Participant's employment or engagement with the Company ceases because of a Controllable Event, the last day of any period specified in clause 15(b), subject to clause 15(a).

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13.2 Lapse of a Performance Right

A Participant Performance Right automatically lapses, to the extent it has not been Vested on the earlier of:

- (a) a date or circumstance specified in the Offer for that Performance Right or a provision of this Plan as when a Performance Right lapses;
- (b) a failure to meet the Vesting Conditions within the Vesting Period or meet any other condition applicable to the Performance Right within the period specified in the Offer for that Performance Right;
- (c) the receipt by the Company of a notice in writing from a Participant that the Participant has elected to surrender the Performance Right;
- (d) if an Eligible Participant's employment or engagement with the Company ceases because of an Uncontrollable Event, the last day of any period specified in clause 14(b); and
- (e) if an Eligible Participant's employment or engagement with the Company ceases because of a Controllable Event:
 - (1) Vested Performance Right – the last day of any period specified in clause 15(b); or
 - (2) Unvested Performance Right – the date of cessation of employment.

14. Cessation of employment or engagement - Uncontrollable Event

If an Eligible Participant's employment or engagement with the Company or Associated Body Corporate ceases because of an Uncontrollable Event:

- (a) the Board in its absolute discretion may determine to reduce, vary or waive any Vesting Condition or any other conditions contained in the Offer that has not been satisfied as at the date of the Uncontrollable Event so that the Securities subject to the Vesting Condition or any other conditions contained in the Offer may Vest;
- (b) the Participant may at any time prior to the earlier of:
 - (1) in the case of an Option, the expiry of the Option Period; or
 - (2) six (6) months (or such other period as the Board will in its absolute discretion, determine) from the date on which the Eligible Participant ceased that employment or engagement,exercise any Participant Options; and
- (c) all of the Participant Options held by the Participant that have not been exercised in accordance with clause 14(b) or are not capable of being exercised will automatically lapse.

15. Cessation of employment or engagement - Controllable Event

If an Eligible Participant's employment or engagement with the Company or Associated Body Corporate ceases because of a Controllable Event:

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- (a) unless otherwise determined by the Board, all Securities subject to Vesting Conditions or any other conditions contained in the Offer that have not been satisfied as at the date of the Controllable Event will lapse;
- (b) the Participant may, at any time prior to the earlier of:
 - (1) in the case of an Option, the expiry of the Option Period; and
 - (2) three (3) months (or such other period as the Board will in its absolute discretion, determine) from the date on which the Eligible Participant ceased that employment or engagement,exercise all Participant Options (including any Participant Options that have Vested under clause 15(a)); and
- (c) all of the Participant Options held by the Participant that have not been exercised in accordance with clause 15(b) will automatically lapse.

16. Breach, fraud or dishonesty

If in the opinion of the Board a Participant acts fraudulently or dishonestly or is in material breach of his or her obligations to the Company or an Associated Body Corporate, then the Board may in its absolute discretion deem all Unvested Securities held by the Participant to have lapsed and the Board's decision will be final and binding.

17. Exercise and Allocation

17.1 General

A Security will only Vest (and, in the case of an Option, be exercisable) if the applicable Vesting Conditions (if any) have been satisfied, waived by the Board or are deemed to have been satisfied in accordance with this Plan.

17.2 Options

- (a) A Participant may at any time during the Option Period (but not after a Participant Option has lapsed) exercise all or any of the Participant Options held by him or her by lodging with the Company:
 - (1) a written notice of exercise of option specifying the number of Shares in respect of which Participant Options are being exercised (**Option Exercise Notice**); and
 - (2) payment to the Company by way of a cheque, electronic transfer or such other method of payment approved by the Board for the Exercise Price multiplied by the number of Shares in respect of which Participant Options are being exercised on a Business Day within the earlier of 30 days of delivery of the Option Exercise Notice or the Business Day prior to the expiry of the Option Period.
- (b) The Board may determine that the exercise of a Participant Option will be satisfied by the Company making a cash payment in lieu of an allocation of Shares pursuant to this clause 17. For the avoidance of doubt, the Board may determine that some or all of the Participant Options will be settled in this way.

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- (c) Subject to 17.2(d), as soon as practicable following the exercise of a Participant Option, the Board must issue to, procure the transfer to, or procure the setting aside for, the Participant the number of Shares in respect of which Options have been exercised. No further action is required on the part of the Participant.
- (d) In the case of Options held by or on behalf of a Participant who is a Director, Vested Options must be satisfied by Shares that have been purchased on market, unless:
 - (1) no shareholder approval is required under the Listing Rules in respect of the Director's participation in the Plan; or
 - (2) shareholders have approved the Director's participation in the Plan to the extent required under the Listing Rules.
- (e) To the extent required by law, the Company will defer the allocation of a proportion of Shares for whatever period of time if so required.

17.3 Cashless exercise of Options

In lieu of paying aggregate Exercise Price to purchase Shares under clause 17.2(a)(2), the Board may, in its sole and absolute discretion, permit a Participant to elect to receive without payment of cash or other consideration, upon surrender of the applicable portion of exercisable Options to the Company, a number of Shares determined in accordance with the following formula (a Cashless Exercise):

$$A = \frac{B(C - D)}{C}$$

where:

A = the number of Shares (rounded down to the nearest whole number) to be issued to the Participant pursuant to this clause 17.3;

B = the number of Shares otherwise issuable upon the exercise of the Option or portion of the Option being exercised;

C = the market value of one Share determined as of the date of delivery to the Company Secretary of the Options Exercise Notice; and

D = the Exercise Price.

For example, if a Participant holds 50 Options (which have vested and are therefore capable of exercise), each with an Exercise Price of \$1.00 and they elect to exercise all of their Options by paying the Exercise Price, they would pay \$50 and receive 50 Shares. However, if the Participant elects their rights under the Cashless Exercise, and the Market Value of one Share prior to exercise is \$1.50, the Participant will pay no cash and receive 16 Shares (being $50(\$1.50 - \$1.00)/\$1.50 = 16.67$, rounded down to 16 Shares).

For greater certainty, upon the Cashless Exercise of an Option (or portion thereof), the total number of Shares that may be issued pursuant to the exercise of Options under the Plan, as set forth in clause [x], shall be reduced by the total number of Shares with respect to which the Option (or portion thereof) was surrendered.

17.4 Performance Rights

- (a) As soon as practicable following Vesting of a Performance Right, the Board must issue to, procure the transfer to, or procure the setting aside for, the Participant the number

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of Shares in respect of which Performance Rights have Vested. No further action is required on the part of the Participant.

- (b) The Board may determine that the conversion of a Participant Performance Right will be satisfied by the Company making a cash payment in lieu of an allocation of Shares pursuant to this clause 17. For the avoidance of doubt, the Board may determine that some or all of the Participant Performance Right will be settled in this way.
- (c) In the case of Performance Rights held by or on behalf of a Participant who is a Director, Vested Performance Rights must be satisfied by Shares that have been purchased on market, unless:
 - (1) no shareholder approval is required under the Listing Rules in respect of the Director's participation in the Plan; or
 - (2) shareholders have approved the Director's participation in the Plan to the extent required under the Listing Rules.
- (d) Unless otherwise provided in the Offer, no amount shall be payable by a Participant on the automatic conversion of a Vested Participant Performance Right.
- (e) To the extent required by law, the Company will defer the allocation of a proportion of Shares for whatever period of time if so required.

17.5 Exercise and allotment of marketable parcel

Vested Participant Options must be exercised and Participant Performance Rights must Vest so as to result in the allotment of a marketable parcel within the meaning of the Listing Rules provided that where the number of Participant Options or Participant Performance Rights (as the case may be) held by a Participant has been adjusted from time to time in accordance with the terms and conditions of this Plan, the Participant Options or Participant Performance Rights (as the case may be) will be Vested and exercised by the Participant so as to result in as near as possible a marketable parcel of Shares being created.

18. Shares issued under the Plan

18.1 Share ranking

All Shares allotted, issued or transferred under this Plan will rank equally in all respects with all existing Shares on and from the date of allotment, issue or transfer including in respect of all rights and bonus issues.

18.2 Listing of Shares on ASX

If Shares of the same class as those issued on the Vesting or exercise (as the case may be) of a Security are quoted on ASX, the Company will use its best endeavours to have such Shares quoted and listed on the official list of the ASX.

18.3 No entitlement to new securities

Participant Option holders and Participant Performance Rights holders do not have any right to participate in new issues of Securities in the Company made to shareholders generally.

18.4 No entitlement to dividends and voting rights

- (a) Participant Option holders have no rights to dividends or other distributions and no rights to vote at meetings of the Company until the Options are exercised and the

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resultant Shares of the Company are issued prior to the record date to determine entitlements to the dividend.

- (b) Participant Performance Right holders have no rights to dividends or other distributions and no rights to vote at meetings of the Company until the Performance Rights are Vested and the resultant Shares of the Company are issued prior to the record date to determine entitlements to the dividend.

19. Bonus issue

If there is a bonus issue to the holders of Shares in the Company (other than an issue in lieu of dividends or by way of a dividend reinvestment) involving capitalisation of reserves of distributable profits and no Shares have been Allocated in respect of an Option or Performance Right before the record date for determining entitlements to the bonus issue, the Option or Performance Right will be adjusted in accordance with the Listing Rules.

20. Adjustment for rights issue

If, during the life of any Option, there is a pro rata issue (except a bonus issue) then the subscription price applicable to each Share then comprised in the Option may be reduced according to the formula in the Listing Rules.

21. Rights of Participants

In addition to the rights set out in clauses 19 and 20, the Board may, subject to and in accordance with any relevant Listing Rule, vary one or more of the following:

- (a) the number of Securities to which a Participant is entitled under this Plan;
- (b) the number of Shares to which each Participant is entitled upon exercise of Participant Options or Vesting of Participant Performance Rights;
- (c) the Exercise Price; or
- (d) the amount payable upon the Vesting of Performance Rights (if any),

to make such adjustments to the entitlements of Participants as the Board may regard as appropriate following any reduction or restructuring of the capital of the Company **provided always** that:

- (d) subject to any applicable laws, in the event of a reorganisation (including consolidation, sub-division, reduction or return) of the issued capital of the Company, the rights of Option holders and Performance Right holders will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of a reorganisation, but with the intention that such reorganisation will not result in any benefits being conferred on Participants which are not conferred on holders of Shares; and
- (e) subject to the provisions with respect to rounding of entitlements as sanctioned by the meeting of the holders of Shares approving the reorganisation of capital, in all other respects the terms for the exercise of Options and Vesting of Performance Rights shall remain unchanged.

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22. Eligibility and Acknowledgement for Securities

22.1 Board discretion

The Board may in its absolute discretion determine that an Eligible Participant who otherwise would be eligible to acquire Securities under this Plan is nonetheless not eligible.

22.2 Misconduct of Eligible Participant

An Eligible Participant will not be eligible to acquire Securities under this Plan at any time if he or she has been given notice of dismissal or termination for misconduct from the employment or engagement by virtue of which he or she would, but for this clause 22.2, be eligible to acquire Securities (or has given notice of resignation from employment or engagement in order to avoid such dismissal).

22.3 Issue subject to Acknowledgement

The Board may, at such time as it determines, issue Securities under this Plan to each Participant, subject to the Participant providing, or having provided to the Company, a valid Acknowledgement that the Participant agrees to be bound by the Terms of Allotment and by the constitution of the Company.

22.4 Approved form

An Acknowledgment required under this clause 22 must be in the form from time to time approved by the Board and must state any restrictions or other conditions relating to the Securities as determined by the Board.

22.5 Fresh Acknowledgement for future participation in Plan

The Board may at any time in its absolute discretion determine that an existing Acknowledgment provided by a Participant under this clause 22 ceases to be of effect and that a new Acknowledgment must be provided by the Participant if that Participant wishes to participate in any future issue under this Plan.

23. Statement of allotment, interest in Securities

23.1 Statement of allotment

As soon as reasonably practicable after the allotment of Securities, the Company shall cause a statement to be provided to each Participant setting out particulars of the Securities allotted to that Participant.

23.2 Interest in Securities

Each Participant has full legal and beneficial ownership of the Securities allotted to that Participant but any dealings with those Securities by the Participant are restricted as provided in this Plan.

24. Certificates: non-certification

24.1 Share certificates

The Company is not required to issue Share certificates, Option certificates or Performance Right certificates, and is entitled to retain custody of any Share certificates, Option certificates

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or Performance Right certificates issued, in respect of Participant Shares, Participant Options or Participant Performance Rights as long as those Shares, Options or Performance Rights are restricted.

24.2 Restriction from dealing procedure

If any Participant Shares, Participant Options or Participant Performance Rights are uncertificated, the Company is authorised to implement any procedure it deems appropriate to restrict the Participant from dealing with the Participant Shares, Participant Options or Participant Performance Rights (as the case may be) for as long as those Shares, Options or Performance Rights are restricted.

25. Restrictions on Dealing

25.1 Limited Dealing in Securities

A Participant must not Deal with a Security unless that Dealing:

- (a) is required by law and the Participant has provided satisfactory evidence of that requirement to the Board; and
- (b) is permitted (or is not prohibited) by the Securities Trading Policy.

25.2 Consequence of prohibited Dealing

- (a) Where, in the opinion of the Board, a Participant Deals with a Security (other than a Restricted Share) in breach of clause 25.1, the Security will immediately lapse.
- (b) Where, in the opinion of the Board, a Participant Deals with its interest in a Restricted Share in breach of clause 25.1, the Restricted Share is deemed to immediately be forfeited.

25.3 Allocated Shares

The Board may, at its discretion, impose a restriction on Dealing in respect of any Shares Allocated under the Plan (including upon Vesting (and, in the case of Options, exercise) of Performance Rights or Options or at the election of the Participant).

25.4 Enforcement of Dealing Restrictions

- (a) The Board may, at its discretion, implement any procedure it considers appropriate to enforce a Dealing Restriction, including the imposition of a holding lock or requiring that Shares be held in trust on behalf of a Participant.
- (b) By accepting an Offer, each Participant undertakes not to take any action or permit another person to take any action to remove any procedure imposed by the Company under clause 25.4(a).

26. Control of the Company

26.1 Change of Control Event

- (a) If a Change of Control Event occurs:

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- (1) a Participant's Unvested Securities will, at the election of the Participant, vest (and, in the case of Options, become exercisable);
- (2) Options may be exercised in accordance with their exercise period unless a shorter period is specified by the Board, and if not exercised within that period, will lapse;
- (3) the Dealing Restrictions or any other terms which apply to the Securities cease to apply;
- (4) the Dealing Restrictions which apply to Shares Allocated on the Vesting of a Performance Right or exercise of an Option cease to apply; and/or
- (5) the Company on behalf of the Participant will direct the trustee to transfer trust shares into the Participants name (if applicable).

27. Taxation

27.1 Offer to specify whether tax deferral applies

Any Offer made pursuant to this Plan will specify whether subdivision 83A-C of the Tax Law applies to that Offer such that any tax payable by a Participant under the Offer will be deferred to the applicable deferred taxing point described in that subdivision.

27.2 Compliance with section 83A-105(6) of the Tax Law

In order to avoid any ambiguity, this clause is intended to comply with section 83A-105(6) of the Tax Law such that subdivision 83A-C applies to any Offers made pursuant to this Plan where the terms of the Offer comply with the requirements of that subdivision and the Offer expressly states that subdivision 83A-C is to apply to the Offer.

27.3 Company not liable

Neither the Company nor its Directors, officers, employees, representatives or agents take any responsibility or assume any liability for the taxation liabilities of Eligible Participants.

28. Administration of Plan

28.1 Administered by the Board

The Board administers this Plan and may:

- (a) determine appropriate procedures for the administration of this Plan consistent with the Terms of Allotment;
- (b) appoint or engage service providers for the operation and administration of the Plan; and
- (c) delegate to any one or more persons for such period and on such conditions as it may determine, the exercise of any of its powers or discretions arising under this Plan.

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28.2 Board's unfettered discretion

Except as otherwise expressly provided in this Plan, the Board has absolute and unfettered discretion in the exercise of any of its powers or discretions pursuant to this Plan and to act or refrain from acting under or in connection with this Plan.

28.3 Waiver of Terms of Allotment

The Board may, in relation to any Participant Share, Participant Option or Participant Performance Right, waive in whole or in part, on terms it considers appropriate, any of the Terms of Allotment.

28.4 Dispute

If there is any dispute or disagreement as to the interpretation of this Plan or the Terms of Allotment of any Security, the decision of the Board is final and binding upon all persons.

28.5 Termination or suspension

The Plan may be terminated or suspended at any time by resolution of the Directors and notification to the ASX in accordance with the Listing Rules. The termination or suspension of the Plan will not affect any existing Securities granted under the Plan and the terms of the Plan will continue to apply to such Securities provided that, in the case of termination, all Shares Allocated under the Plan then subject to a Dealing Restriction will be released from the restriction on the date of termination or on such other date specified by the Board.

28.6 Overseas Participants

- (a) The Board may determine that additional rules apply to a Security that is granted to persons who are not a resident of Australia by attaching a schedule to this Plan. Any additional rules must conform to the basic principles of this Plan.
- (b) Unless the determination in 28.6(a) provides otherwise, the rules the subject of the determination prevail over any other provision of the Terms of Allotment to the extent of any inconsistency.

29. Amendments to this Plan

29.1 Board may amend

Subject to clause 29.2 and the Listing Rules, the Board may by resolution amend (meaning, for the purposes of this clause 29, amend, add to, revoke or replace) this Plan (including this clause 29) or any of the Terms of Allotment of a Participant Share, a Participant Option or Participant Performance Right.

29.2 Must not materially prejudice

The Board may not amend this Plan if the amendment would materially reduce the rights of a Participant in respect of a Participant Share, a Participant Option or a Participant Performance Right allotted before the date of the amendment, unless the amendment is introduced primarily:

- (a) for the purpose of complying with or taking account of any State or Commonwealth legislation that affects this Plan;
- (b) to correct a manifest error;

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- (c) to address possible adverse tax implications in respect of this Plan arising from, amongst others:
 - (1) a ruling of any relevant taxation authority;
 - (2) a change to tax legislation (including an official announcement by any relevant taxation authority); or
 - (3) changes in the interpretation of tax legislation by a court or tribunal of competent jurisdiction; or
- (d) to enable the Company to comply with its constitution, the Corporations Act, exchange control, other legislation or the Listing Rules.

29.3 Retrospective effect

Subject to clause 29.2, any amendments made under clause 29.1 may be given retrospective effect as specified in the written instrument by which the amendment is made.

29.4 Notification of Participants

As soon as reasonably practicable after making any amendment under clause 29, the Board, by written notice, will inform each Participant affected.

30. Terms of employment or engagement not affected

30.1 Employment or engagement unaffected

The Terms of Allotment of this Plan do not:

- (a) form part of any contract of employment, engagement or any arrangement in respect of any such employment or engagement, between an Eligible Participant and the Company; or
- (b) constitute a related condition or collateral arrangement to any such contract of employment or engagement,

and participation in this Plan does not in any way affect the rights and obligations of a Participant under the terms of his or her employment or engagement.

30.2 Terms of Allotment unaffected

The terms of a Participant's employment or engagement with the Company do not in any way affect the rights and obligations of a Participant under this Plan.

30.3 No right to compensation

A Participant has no right to compensation or damages from the Company in respect of any loss or reduction of any rights or expectations under this Plan in any circumstances or for any reason (including lawful or unlawful termination of the Participant's employment or engagement).

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30.4 Rights of Participants

Nothing in this Plan or participation in the Plan:

- (a) confers on any Eligible Participant the right to continue as a Director, Employee or service provider;
- (b) confers on any Eligible Participant the right to become or remain a Director, employee or service provider or to participate under the Plan;
- (c) will be taken into account in determining an Eligible Participant's salary or remuneration for the purposes of superannuation or other pension arrangements (where applicable);
- (d) affects the rights and obligations of any Eligible Participant under the terms of their office, employment with the Company or Associated Body Corporate;
- (e) affects any rights which the Company may have to terminate the office, employment or engagement of an Eligible Participant or will be taken into account in determining an Eligible Participant's termination or severance pay;
- (f) may be used to increase damages in any action brought against the Company or an Associated Body Corporate in respect of any such termination; or
- (g) confers any responsibility or liability on the Company or Associated Body Corporate or their directors, officers, employees, representatives or agents in respect of any taxation liabilities of the Eligible Participant.

31. Notices

31.1 General

A notice (meaning for the purposes of this clause 31, notice, application, permission or other communication) under this Plan may be given in writing, addressed to the person to whom it is given, and is taken to be given and received if sent in accordance with clauses 31.2, 31.3 and 31.4.

31.2 Pre-paid mail or email

For the purposes of clause 31.1, a notice is duly given and received by the Company if sent to the Company by pre-paid mail or email, to an address at which it is actually received by:

- (a) the person who is, from time to time, designated by the Board as the person to whom the notice should be sent or by whom it should be received, and whose name or title and address are notified to the sender; or
- (b) if no other person is designated by the Board for this purpose, the secretary of the Company.

31.3 Delivery

For the purposes of clause 31.1, a notice is duly given and received by a natural person (other than a person designated as the person to whom the notice should be sent in order to be received by the Company) if sent to:

- (a) the person's last known mailing address or the person's last known email address; or

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- (b) in the case of an Eligible Employee or a Participant, to the last known mailing or email address of the place of business at which the person performs the whole or substantially the whole of his or her office or employment or engagement.

31.4 Notice to deceased

A notice given under clause 31.1 to a person being a natural person, is duly given even if the person is then deceased (and whether or not the Company has notice of his or her death), unless the legal personal representative of the person has established title to the satisfaction of the Company and supplied to the Company an address to which documents should be sent.

31.5 Treatment of notice

A notice sent in accordance with clause 31.1 is treated as given and received in the case of:

- (a) a notice sent to the Company, at the time it is actually received by the secretary or other person designated by the Board as the person to whom it should be sent or by whom it should be received;
- (b) any other notice sent by prepaid mail, 48 hours after it was put into the post properly stamped; and
- (c) any other notice sent by facsimile or email, at the time of transmission.

32. Applicable laws

32.1 Subject to Constitution, Listing Rules and Corporations Act

This Plan and any Terms of Allotment are subject to the Company's constitution, the Corporations Act and the Listing Rules. If there is any inconsistency between the Plan and any Terms of Allotment and the Listing Rules, then the Listing Rules will prevail.

32.2 Contravention of law

Notwithstanding this Plan or any Terms of Allotment, no Security may be offered, issued, Vested or exercised or otherwise dealt with under the Plan, and no other benefit will be deliverable under the Plan, if to do so would or would be likely to, in the opinion of the Board:

- (a) contravene the constitution of the Company, the Corporations Act, the Listing Rules, or any other applicable laws (including any applicable foreign law);
- (b) give rise to unreasonable cost or regulatory requirements for the Company or any Group Company; or
- (c) require the Company or any Group Company to pay, provide, or procure the payment or provision of, any money or benefits to the Participant which would require shareholder approval under Part 2D.2, Division 2 of the Corporations Act.

32.3 Governing law

This Plan is governed by the laws in force in Western Australia and the Commonwealth of Australia.